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SIPDIS

STATE FOR ISN/NESS - BURKART AND CARNAHAN
DOE NE - MCGINNIS AND WELLING
PARIS FOR USOECD - CLAPPER

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TAGS: ENRG TRGY KNNP IAEA
SUBJECT: GNEP INFRASTRUCTURE DEVELOPMENT WORKING GROUP DRAWS BROAD AND SUBSTANTIVE PARTICIPATION

¶1. Summary: The Global Nuclear Energy Partnership (GNEP) Infrastructure Development Working Group (IDWG) held its fifth meeting December 9-10, 2009, in Vienna, under U.S. chairmanship. Approximately 85 representatives from GNEP partner and observer countries, the International Atomic Energy Agency (IAEA) Secretariat, other international organizations, business and academia attended the meeting and workshop. Participants discussed priorities and activities the IDWG is undertaking in radioactive waste management, human resources development, small and medium reactors, country assessments, interaction with specialist organizations, and the IDWG Resource Library. One day of the meeting featured a workshop on nuclear power plant and waste management financing. Sustained attendance by representatives from Argentina and Brazil was a notable advance from previous meetings. End Summary.

¶2. Background: The GNEP international partnership was formally established in September 2007 when 16 countries signed the GNEP Statement of Principles to become partners. The partnership now comprises 25 partner countries: Armenia, Australia, Bulgaria, Canada, China, Estonia, France, Ghana, Hungary, Italy, Japan,

Jordan, Kazakhstan, the Republic of Korea, Lithuania, Morocco, Oman, Poland, Romania, the Russian Federation, Senegal, Slovenia, Ukraine, the United Kingdom and the United States. There are 31 countries invited to join the partnership that may attend meetings as observers: Algeria, Argentina, Bahrain, Bangladesh, Belgium, Brazil, Czech Republic, Egypt, Finland, Georgia, Germany, Greece, Kenya, Kuwait, Latvia, Malaysia, Mexico, Mongolia, Netherlands, Nigeria, Slovakia, South Africa, Spain, Sweden, Switzerland, Tanzania, Tunisia, Turkey, Uganda, United Arab Emirates and Vietnam. Finally, there are three GNEP observer organizations: the International Atomic Energy Agency (IAEA), Euratom, and the Generation IV International Forum. GNEP consists of an Executive Committee of ministerial-level officials, a Steering Group and working groups on Infrastructure Development and Reliable Nuclear Fuel Services. The most recent GNEP Executive Committee ministerial meeting was held October 23, 2009 in Beijing, China.

¶3. Background continued: The objective of the IDWG is to facilitate the development of the infrastructure needed for the use of clean, sustainable nuclear energy worldwide in a safe and secure manner, while at the same time reducing the risk of nuclear proliferation. The IDWG focuses on partners' main infrastructure development needs and challenges and pursues activities to address those needs and challenges. It has six activity areas: 1) human resource development; 2) radioactive waste management; 3) small and medium reactors; 4) engagement with specialist organizations in the global nuclear power arena; 5) nuclear energy feasibility studies/assessments; 6) and the creation of an on-line Resource

¶4. Meeting Participation: The IDWG's fifth meeting was open to all GNEP Partner and observer countries. Partner countries that attended the IDWG meeting were Bulgaria, Canada, China, France, Hungary, Italy, Japan, the Republic of Korea, Lithuania, Poland, Russia, Slovenia, the United Kingdom and the United States. Observer countries in attendance were Argentina, Brazil, Germany, Netherlands and Slovakia. The IAEA participated as an observer organization. Three universities, 16 businesses, the World Association of Nuclear Operators and the Organization for Economic Cooperation and Development also participated in the meeting and/or workshop.

¶5. Radioactive Waste Management Subgroup: The subgroup, led by the United Kingdom, presented the results of three studies performed by partner countries. Bulgaria presented on funding approaches for waste management and decommissioning/ dismantlement of infrastructure; the U.S. presented on interactions with public stakeholders for radioactive waste management strategies, including the site selection process for disposal facilities and other decision making activities; and the UK presented its review of current R&D efforts to gain a common understanding of R&D gaps in the area of waste management, decommissioning, and clean-up. Future areas of analyses under consideration by the partners could include R&D mapping - who does what and why - and safe and secure storage and transport of radioactive waste.

¶6. Human Resource Development: In the area of human resource development, the UK's National Skills Academy for Nuclear presented on its concept for an international skills passport in the nuclear energy field so that employees' skills could be recognized between plants. Tied to the skills passport concept was a presentation from the UK's Nuclear Decommissioning Authority on resource coding, through which nuclear power plants would form a common set of codes for each position at a nuclear facility. The IDWG may work to assess the broader applicability of these initiatives to partner countries. In addition, the IDWG is working to provide a range of exchange programs to participating countries, mostly at the professional level. Opportunities were presented by the UK, Texas A and M University and the University of California, Berkeley for new graduates entering the workplace, high school teachers, and university professors. The U.S. reported on its experience with an exchange employee from the UK's "nuclear graduates" program. The U.S. also demonstrated a human resources development modeling tool developed by Los Alamos National Laboratory which could be used by countries to predict future human resource needs. Finally, the IAEA presented on its human resources development initiatives and France

provided additional insights into its efforts to analyze perspectives on global human resource needs based on partner country surveys. The IDWG tentatively plans to hold a workshop focused on human resource development at its next meeting in May 2010.

¶7. Small and Medium Reactors: The U.S. Nuclear Regulatory Commission (NRC) informed the IDWG about the status of its efforts to prepare for licensing of small reactors in the United States. The firm Babcock and Wilcox then provided information on its new mPower reactor and an anticipated timeline for reactor licensing. The Korean Atomic Energy Research Institute provided an update on the development of its SMART reactor and licensing by the South Korean regulatory agency.

¶8. Support to Partner Countries for Implementation of Nuclear Energy Infrastructure Development - Assessments: Steve Goldberg of Argonne National Laboratory informed the IDWG about the lessons learned, methodology and key generic findings from the United States' infrastructure assessment in Ghana, begun earlier this year. The assessment focused on selected issues listed under the IAEA's publication, Milestones in the Development of a National Infrastructure for Nuclear Power, because Ghana is just beginning to plan for a nuclear power program. The IDWG is now seeking a new partner country for which to perform an infrastructure assessment.
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¶9. Establishing Linkages with Specialist Organizations: The IDWG seeks to establish contact with external organizations that are involved in international nuclear energy development to tap into a broader set of experiences and resources. The World Association of Nuclear Operators (WANO) was invited to attend the meeting and presented on its activities and safety culture. In addition, the U.S. NRC provided information on its international activities and expressed the need for a coordination mechanism for international engagement on nuclear safety. The IDWG will discuss opportunities for possible engagement in this area.

¶10. Resource Library Update: The U.S. reported it had revised the online IDWG Resource Library, now located at https://www.gneplibrary.org, and provided a demonstration. Partner countries have been populating the library and the IDWG will seek a new set of countries to contribute information to the library prior to the next IDWG meeting in May. Meeting presentations are posted on the Resource Library.

¶11. Resources and Gaps Workshop: On December 10, 2009, the IDWG held a Resources and Gaps Workshop focusing on financing options for nuclear power plant construction and waste management. Experts from government, industry, the IAEA and the Organization for Economic Cooperation and Development (OECD) shared information on financing

challenges and strategies to overcome these challenges. The workshop featured four panel discussions. The first panel addressed current financing options, challenges and risk management strategies. The second panel provided country and industry perspectives on financing, including an overview of how South Korea has financed its nuclear power plant construction and China's financing strategies. A French government official outlined the important role government must play by providing a political commitment to nuclear power and by creating a skilled and competent regulatory authority, a clear and predictable licensing regime and a stable electricity market. Other topics discussed included the importance of addressing financing approaches in other areas addressed by the IDWG such as human resources development and radioactive waste management. Finally, Areva spoke on risk allocation and the uncertainty associated with new financing options such as merchant plants and build-operate-transfer (BOT) plants when compared to traditional financing models. Some of the countries present suggested that encouraging the World Bank to change its policies to support nuclear power plant construction would be beneficial. The third panel featured presentations by Deutsche Bank, Fitch Ratings and Societe Generale on financing strategies and options. State/ISN presented

on the need for an international nuclear liability regime such as the Convention on Supplementary Compensation for Nuclear Damage. Lastly, the OECD presented on the new framework its members adopted in June 2009 that gives improved terms for export credit support in the area of nuclear power. The final panel featured a presentation by the UK on financing strategies for radioactive waste management, a Bulgarian presentation on funding approaches for waste management and decommissioning/dismantling of infrastructure, and a presentation by the chairman of the Lithuanian Electricity Organization on regional approaches to financing.

¶12. Next Steps: The IDWG tentatively agreed to hold its next meeting in May 2010 with a workshop on human resources development. The IDWG will also pursue additional analyses in radioactive waste management, organize additional professional exchanges, select a country for an infrastructure assessment, provide updates on small and medium reactor development and related infrastructure issues, review options for pursuing international safety coordination and assistance for member countries with financing strategies. Finally, the IDWG will continue to coordinate closely with the IAEA.

¶13. USDEL to the GNEP IDWG prepared this report. U.S. participation in the meeting included DoE (Office of Nuclear Energy, Office of Civilian Radioactive Waste Management, and National Nuclear Security Administration), State ISN/NESS, Commerce, the Nuclear Regulatory Commission, and Msnoffs.

DAVIES

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